



management  
company

IP MANAGEMENT COMPANY (RF) PROPRIETARY LIMITED  
ANNUAL REPORT  
31 MARCH 2020

# INDEX

	Page
Managing Director's Report	3
Directors' Statement	4
Trustees Report	5
Independent Auditor's Report	6
Portfolios	10

## Managing Director's Report

I am pleased to present the Annual Report for IP Management Company (RF) Proprietary Limited (the "IP Management Company") and the IP Collective Investment Scheme (the "Scheme") for the year ended 31 March 2020. It is a statutory requirement that each investor receive an abridged copy of the annual financial statements. Kindly note that performance and other figures reflect the position at the year end of the Scheme and thus may not be the most recent figures available.

The year ending March 2020 saw assets under management end the year at R19.12bn. This value was significantly less than the highs of R20.6bn in January and February 2020, as world markets experienced a significant correction as the impacts of Covid-19 began to be felt. Still, this increase of 24% at year end is an excellent year on year performance, demonstrating a combination of improved market growth and investor inflows based on solid performance across the fund range. I'm pleased to advise that asset values across the fund range recovered post the correction and reached a new high of R21bn shortly after the year end.

That said, there is no doubt that the current economic environment is uncertain and I encourage investors to engage with their Financial Advisor or Investment Manager to assist in addressing any questions and concerns they may have regarding their investments.

I would like to take this opportunity to congratulate our award-winning funds and fund managers:

Financial Fitness Services:	Best South African Multi-Asset Low Equity Fund (outright performance over 3 years)
True North Capital management:	Best South African Real Estate Fund (outright performance over 3 years)
MiPlan:	Best Global Multi Asset Flexible Fund (outright performance over 3 years) Best Global Multi Asset Flexible Fund (risk adjusted performance over 5 years)

MiPlan, winner of the **Manager of the Year Award** at the 2019 Raging Bull Awards. A huge achievement competing against industry stalwarts.

Our ongoing objective is to provide excellent administration for investors, asset managers and advisors, and we continue to enhance and streamline our administration processes. During the year, we appointed new specialist service providers in the areas of payroll, compliance reporting, production of annual financial statements for the Scheme and the IP Management Company, and in the increasingly technical area of reclaiming tax withheld on foreign dividends.

Kindly note that investors can access their portfolio details and investment statements via the secure web access portal on our website: <http://www.ipmc.co.za>. Please contact our client services team at [clientservices@ipmc.co.za](mailto:clientservices@ipmc.co.za) in order to register. If you have any queries, please don't hesitate to contact us or consult your Investment Manager or Financial Advisor.

Thank you for your on-going support. I wish you all the best for the remainder of 2020 – stay safe.



**BRETT PATON**  
**MANAGING DIRECTOR**  
**28 September 2020**

# SECTION ONE

## IP COLLECTIVE INVESTMENT SCHEME PORTFOLIOS

### Directors' Statement

The annual financial statements are the responsibility of the directors of IP Management Company (RF) Proprietary Limited (the "IP Management Company"). The IP Collective Investment Scheme (the "Scheme") financial statements, prepared in accordance with the accounting policies as set out on pages 11 to 15 give a fair reflection of the Scheme portfolios' financial position and the results of their operations.

The directors are satisfied that an adequate system of internal control exists and that it is maintained on a continuous basis to ensure the completeness and the accuracy of the accounting records, to safeguard the assets and to ensure the integrity and reliability of the financial statements with reasonable assurance. In the directors' opinion, the Scheme portfolios are financially sound and will continue to operate as going concerns.

The annual financial statements set out on pages 10 to 70 were approved by the board of directors of IP Management Company and are signed on their behalf by:



**BRETT PATON**  
**MANAGING DIRECTOR**  
**28 September 2020**

## REPORT OF THE TRUSTEE FOR THE IP COLLECTIVE INVESTMENT SCHEME

We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the IP Collective Investment Scheme ("the Scheme") have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended ("the Act"), for the financial year ended 31 March 2020.

In support of our report we have adopted certain processes and procedures that allow us to form a reasonable conclusion on whether the Manager has administered the Scheme in accordance with the Act and the Scheme Deed.

As Trustees of the Scheme we are also obliged to in terms of Section 70(3) of the Act to satisfy ourselves that every statement of comprehensive income, statement of financial position or other return prepared by the Manager of the Scheme as required by Section 90 of the Act fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme.

The Manager is responsible for maintaining the accounting records and preparing the annual financial statements of the Scheme in conformity with Generally Accepted Accounting Principles. This responsibility also includes appointing an external auditor to the Scheme to ensure that the financial statements are properly drawn up so as to fairly represent the financial position of every portfolio of its collective investment scheme are in accordance with Generally Accepted Accounting Principles and in the manner required by the Act.

Our enquiry into the administration of the Scheme by the Manager does not cover a review of the annual financial statements and hence we do not provide an opinion thereon.

Based on our records, internal processes and procedures we report that nothing has come to our attention that causes us to believe that the accompanying financial statements do not fairly represent the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the Manager.

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Scheme in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by this Act;
- (ii) and the provisions of this Act and the deed;



Melinda Mostert

**Standard Bank of South Africa Limited**



Seggie Moodley

**Standard Bank of South Africa Limited**



Tel: +27 21 417 8800  
Fax: +27 21 417 8700  
[www.bdo.co.za](http://www.bdo.co.za)

6<sup>th</sup> Floor,  
119 - 123 Hertzog  
Boulevard, Foreshore,  
Cape Town, 8001  
PO Box 2275  
Cape Town, 8000

## **Independent Auditor's Report**

*To the unit holders of the funds managed under the IP Collective Investment Scheme.*

IP Management Company (RF) (Pty) Ltd is the manager of the IP Collective Investment Scheme.

We have audited the financial statements of the funds managed under the IP Collective Investment Scheme:

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of IP Managements Company (RF) funds under management (the funds) set out on pages 15 to 70, which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity for the year then ended, and a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the funds as at 31 March 2020, and its financial performance for the year then ended in accordance with the basis of accounting described in note 1 of the financial statements and in the manner required by the Collective Investment Scheme Control Act No 45 of 2002.

### **The audit opinion relates to the following funds below**

Flagship IP Prudential Variable Fund  
Flagship IP Worldwide Flexible Fund of Funds  
Flagship IP Worldwide Flexible Fund  
IP Diversified Income Fund of Funds  
IP Flexible Fund of Funds  
IP Prudential Fund of Funds  
IP Worldwide Flexible Fund of Funds  
IP Interest Plus Fund  
IP Foreign Flexible Feeder Fund  
Flagship IP Flexible Value Fund  
Pan African IP Income Hunter Fund  
IP High Conviction Equity Fund  
FG IP International Flexible Fund of Funds  
FG IP Jupiter Income Fund of Funds  
FG IP Mercury Equity Fund of Funds  
FG IP Saturn Flexible Funds of Funds  
FG IP Venus Cautious Fund of Funds  
True North IP Flexible Equity Fund

BDO South Africa Incorporated  
Registration number: 1995/002310/21  
Practice number: 905526  
VAT number: 4910148685  
Chief Executive Officer: ME Stewart

A full list of all company directors is available on [www.bdo.co.za](http://www.bdo.co.za)

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



IP Active Beta Fund  
FG IP Neptune Growth Fund of Funds  
IP Balanced Fund A  
Rock Capital IP Top 20 Global Fund  
Prosperity IP Worldwide Flexible Fund of Funds  
True North IP Enhanced Property Fund  
IP Global Momentum Equity Fund  
IP Prudential Equity Fund  
SouthChester IP Optimum Income Fund  
Engelberg IP Worldwide Flexible Fund  
IP Flexible Fund  
Engelberg IP Income Fund  
Engelberg IP Balanced Fund  
Thyme Wealth IP Multi-Asset Income Fund  
Thyme Wealth IP Global Fund  
IP ESG Balanced Fund  
Triathlon IP Fund  
Flagship IP Global Flexible Equity Fund  
Vunani Fund Manager IP Short Term Interest Fund  
True North IP Global Flexible Equity Fund A  
IP Worldwide Active Beta Fund A  
Financial Fitness Stable IP Fund of Funds  
Financial Fitness Balanced IP Fund of Funds  
Financial Fitness Flexible IP Fund of Funds  
Financial Fitness Diversified Income IP Fund of Funds  
Mi-Plan IP Sarasin EquiSar Feeder Fund  
Mi-Plan IP Beta Equity Fund  
Mi-Plan IP Inflation Plus 3 Fund  
Mi-Plan IP Inflation Plus 5 Fund  
Mi-Plan IP Inflation Plus 7 Fund  
Mi-Plan IP Global AI Opportunity Fund  
Mi-Plan IP Enhanced Income Fund  
Mi-Plan IP Global Macro Fund  
Mi-Plan IP Global Property Feeder Fund  
Mi-Plan IP Global AI Opportunity Fund  
Global Marathon IP Fund  
Multi Asset IP Balanced Plus Fund  
Multi Asset IP Balanced Defensive Fund  
Multi Asset IP Balanced Fund

### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have



fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the document titled "IP Management Company (RF) Proprietary limited (funds under management) Financial Statements for the year ended 31 March 2020", which includes the Directors' Report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### ***Responsibilities of the Directors for the Financial Statements***

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material





misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation..

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'BDO SA Inc.', is written over a faint, larger 'BDO' logo.

**BDO South Africa Incorporated**  
**Registered Auditors**

**Bernard van der Walt**  
**Director**  
**Registered Auditor**

**30 September 2020**

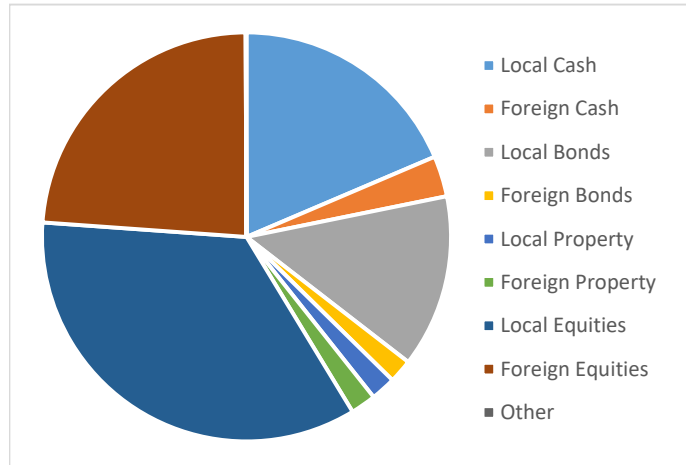
**119-123 Hertzog Boulevard**  
**Foreshore**  
**Cape Town, 8001**

# Multi Asset IP Balanced Plus Fund

Inception	22/01/2015
Benchmark	CPI + 6%
Sector	South African - Multi Asset - High Equity
Risk Profile	Aggressive
Income Declaration	Bi-Annual

## FUND COMPOSITION

Source: GIRSA 31/03/2020



## INCOME DISTRIBUTION (CPU)

	Sep-19	Mar-20
Class A	17.27	14.39
Class B1	19.92	17.00

## PARTICIPATORY INTERESTS

Units ('000)	Class A	Class B1
Balance at the beginning of year	6,372	9,063
Creations	1,215	2,222
Liquidations	(1,699)	(2,432)
Balance at the end of the year	5,888	8,853

## STATEMENT OF FINANCIAL POSITION AS AT 31/03/2020

	R'000
<b>Assets</b>	
<b>Non-Current Assets</b>	<b>140,489</b>
Investments at Market Value	140,489
<b>Current Assets</b>	<b>8,855</b>
Debtors & Income Accrued	1,083
Cash	7,772
<b>Total Assets</b>	<b>149,344</b>

<b>Equity and Liabilities</b>	
<b>Capital and Reserves</b>	<b>146,719</b>
<b>Current Liabilities</b>	<b>2,625</b>
Accrued expenses	272
Distributions payable	2,353
<b>Total Equity and Liabilities</b>	<b>149,344</b>

## STATEMENT OF CHANGES IN EQUITY AS AT 31/03/2020

<b>Retained earnings</b>	
<b>Balance at the beginning</b>	2,217
Distribution of opening earnings	(2,217)
Net Income	5,233
Income Distribution	(5,233)
<b>Undistributed Income at year end</b>	-

<b>Capital value of portfolio</b>	
<b>Balance at the beginning of year</b>	172,202
Creation and Liquidation of participatory interests	(7,828)
Capital profit / (loss)	(17,655)
<b>Balance at the end of the year</b>	<b>146,719</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31/03/2020

	R'000
<b>Income</b>	<b>6,639</b>
Dividends	3,096
Interest	3,585
Other income	3
Rebate income	38
Income adjustment due to movement of units	(83)

<b>Expenses</b>	<b>1,406</b>
Service Fees	1,322
Audit Fees	31
Bank Charges	50
Other expenses	3

<b>Net Income</b>	<b>5,233</b>
-------------------	--------------

## FUND PERFORMANCE

Period	Class B1	Benchmark
1 year	-7.6%	10.9%
3 year*	1.2%	10.6%
5 year*	2.0%	11.4%
Since Inception*	2.7%	11.6%

Source: Minimum disclosure document 31/03/2020

## FEE ANALYSIS

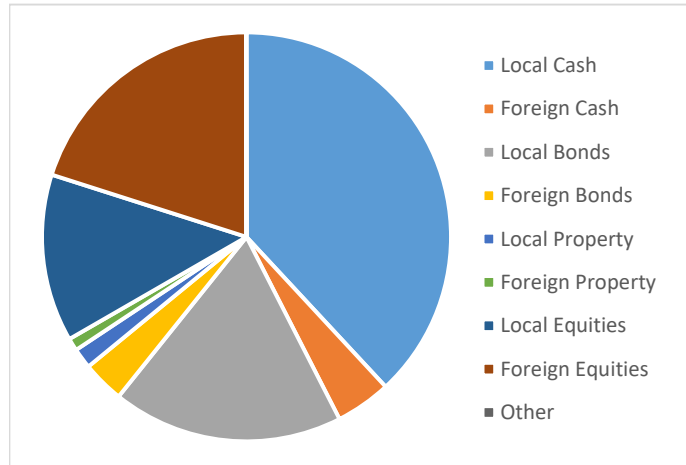
<b>Service fees (excl VAT)</b>	
Class A	0.90%
Class B1	0.50%

## Multi Asset IP Balanced Defensive Fund

Inception	22/01/2015
Benchmark	CPI + 2%
Sector	South African - Multi Asset - Low Equity
Risk Profile	Conservative
Income Declaration	Bi-Annual

### FUND COMPOSITION

Source: GIRSA 31/03/2020



### INCOME DISTRIBUTION (CPU)

	Sep-19	Mar-20
Class A	22.14	21.67
Class B1	24.78	24.29

### PARTICIPATORY INTERESTS

Units ('000)	Class A	Class B1
Balance at the beginning of year	5,906	6,384
Creations	1,289	2,153
Liquidations	(740)	(1,483)
Balance at the end of the year	6,455	7,054

### STATEMENT OF FINANCIAL POSITION AS AT 31/03/2020

	R'000
<b>Assets</b>	
<b>Non-Current Assets</b>	<b>122,280</b>
Investments at Market Value	122,280
<b>Current Assets</b>	<b>23,511</b>
Debtors & Income Accrued	442
Cash	23,069
<b>Total Assets</b>	<b>145,791</b>

<b>Equity and Liabilities</b>	
<b>Capital and Reserves</b>	<b>142,555</b>
<b>Current Liabilities</b>	<b>3,236</b>
Accrued expenses	124
Distributions payable	3,112
<b>Total Equity and Liabilities</b>	<b>145,791</b>

### STATEMENT OF CHANGES IN EQUITY AS AT 31/03/2020

<b>Retained earnings</b>	
Balance at the beginning	2,584
Distribution of opening earnings	(2,584)
Net Income	5,899
Income Distribution	(5,899)
<b>Undistributed Income at year end</b>	<b>-</b>

<b>Capital value of portfolio</b>	
Balance at the beginning of year	135,320
Creation and Liquidation of participatory interests	13,578
Capital profit / (loss)	(6,343)
<b>Balance at the end of the year</b>	<b>142,555</b>

### STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31/03/2020

	R'000
<b>Income</b>	<b>7,096</b>
Dividends	1,186
Interest	5,736
Other income	2
Rebate income	16
Income adjustment due to movement of units	156

<b>Expenses</b>	<b>1,197</b>
Service Fees	1,120
Audit Fees	26
Bank Charges	48
Other expenses	3

<b>Net Income</b>	<b>5,899</b>
-------------------	--------------

### FUND PERFORMANCE \*annualised

Period	Class B1	Benchmark
1 year	0.3%	6.7%
3 year*	4.6%	6.4%
5 year*	4.9%	7.2%
Since Inception*	5.1%	7.4%

Source: Minimum disclosure document 31/03/2020

### FEE ANALYSIS

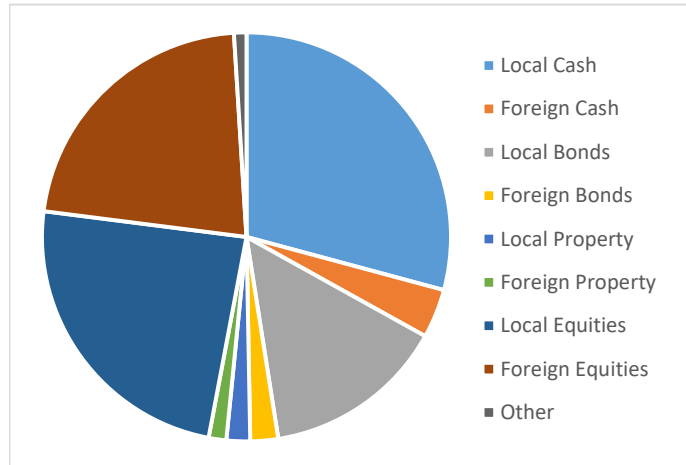
<b>Service fees (excl VAT)</b>	
Class A	0.90%
Class B1	0.50%

## Multi Asset IP Balanced Fund

<b>Inception</b>	<b>22/01/2015</b>
<b>Benchmark</b>	<b>CPI + 4%</b>
<b>Sector</b>	<b>South African - Multi Asset - Medium Equity</b>
<b>Risk Profile</b>	<b>Moderate</b>
<b>Income Declaration</b>	<b>Bi-Annual</b>

### FUND COMPOSITION

Source: GIRSA 31/03/2020



### INCOME DISTRIBUTION (CPU)

	<b>Sep-19</b>	<b>Mar-20</b>
Class A	19.61	18.15
Class B1	22.23	20.73

### PARTICIPATORY INTERESTS

<b>Units ('000)</b>	<b>Class A</b>	<b>Class B1</b>
Balance at the beginning of year	4,852	8,708
Creations	766	2,781
Liquidations	(615)	(2,348)
<b>Balance at the end of the year</b>	<b>5,003</b>	<b>9,141</b>

### STATEMENT OF FINANCIAL POSITION AS AT 31/03/2020

	<b>R'000</b>
<b>Assets</b>	
<b>Non-Current Assets</b>	<b>127,306</b>
Investments at Market Value	127,306
<b>Current Assets</b>	<b>18,307</b>
Debtors & Income Accrued	654
Cash	17,653
<b>Total Assets</b>	<b>145,613</b>

<b>Equity and Liabilities</b>	
<b>Capital and Reserves</b>	<b>142,637</b>
<b>Current Liabilities</b>	<b>2,976</b>
Accrued expenses	174
Distributions payable	2,802
<b>Total Equity and Liabilities</b>	<b>145,613</b>

### STATEMENT OF CHANGES IN EQUITY AS AT 31/03/2020

<b>Retained earnings</b>	
<b>Balance at the beginning</b>	2,505
Distribution of opening earnings	(2,505)
Net Income	5,575
Income Distribution	(5,575)
<b>Undistributed Income at year end</b>	<b>-</b>

<b>Capital value of portfolio</b>	
<b>Balance at the beginning of year</b>	149,386
Creation and Liquidation of participatory interests	6,711
Capital profit / (loss)	(13,460)
<b>Balance at the end of the year</b>	<b>142,637</b>

### STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31/03/2020

	<b>R'000</b>
<b>Income</b>	<b>6,764</b>
Dividends	1,961
Interest	4,673
Other income	2
Rebate income	29
Income adjustment due to movement of units	99

<b>Expenses</b>	<b>1,189</b>
Service Fees	1,113
Audit Fees	28
Bank Charges	48

<b>Net Income</b>	<b>5,575</b>
-------------------	--------------

### FUND PERFORMANCE

\*annualised

<b>Period</b>	<b>Class B1</b>	<b>Benchmark</b>
1 year	-4.7%	8.8%
3 year*	2.6%	8.5%
5 year*	3.1%	9.3%
Since Inception*	3.6%	9.5%

Source: Minimum disclosure document 31/03/2020

### FEE ANALYSIS

#### Service fees (excl VAT)

Class A	0.90%
Class B1	0.50%

## CONTACT DETAILS

### IP MANAGEMENT COMPANY

Physical: 1<sup>st</sup> Floor, Mariendahl House  
Newlands on Main  
Main Road  
Newlands  
7700

Postal: PO Box 23271  
Claremont  
7735

Telephone: 021 673 1340  
Fax: 086 557 4848  
Email: [clientservices@ipmc.co.za](mailto:clientservices@ipmc.co.za)

### ALTINVEST (PTY) LTD T/A MULTIASSET FUND MANAGEMENT

Physical: 1<sup>st</sup> Floor, Mariendahl House  
Newlands on Main  
Main Road  
Newlands  
7700

Postal: PO Box 23271  
Claremont  
7735

Telephone: 021 657 5960  
Fax: 021 657 5960  
Email: [info@miplan.co.za](mailto:info@miplan.co.za)

Copies of the audited Annual Financial Statements of IP Management Company and all the portfolios of the IP Collective Investment Scheme are available, free of charge, on request. This abridged report only includes the abridged financial statements for the specific portfolios in which you are invested. For the latest terms and conditions applicable to your investment, kindly consult the most recent application form.